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APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF THE GOVERNMENT OF ECUADOR

Development of Appropriate Technologies for Marginal Rural Population (ECU/78/016)

Report of the Administrator*

Date of present approval:	June 1979
Starting date of project activities:	June 1979
Planned completion date:	May 1982
To be executed by:	International Labour Organisation (ILO)
Government implementing agency:	Fondo de Desarrollo del Sector Rural Marginal (FODERUMA) Banco Central del Ecuador
Estimated cost of assistance planned under present approval:	$ 550 000
Source of UNDP financing:	Indicative Planning Figure (IPF)

I. Background

1. One of the main long-term objectives of the Ecuadorean Government is to improve the precarious living conditions of the poorest marginal rural groups whose basic needs of adequate nutrition, health, education, housing, are barely met. About 2,500,000 (or 38 % of the total population) who receive an annual per capita income of less than US$262 can be grouped in this category. This marginal group constitutes a potential productive force which, with adequate assistance, could be integrated into the development process, enter into the market, and contribute to increasing national productivity.

2. Taking into account the above described situation and the fact that the conventional approaches of economic development do not offer adequate solutions to the problems of the marginal sector, the Government considers that the application of appropriate technologies could make a significant contribution to improving living conditions of this sector.

3. With this in mind, the Fondo de Desarrollo del Sector Rural Marginal (FODERUMA) was established within the Central Bank of Ecuador in May 1979 for the purpose of channeling financial and technical resources towards marginal rural sectors. Within the methodology

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elaborated by FODERUMA, the development of appropriate technologies is considered highly important and it is toward this end that UNDP assistance has been approved for the present project.

II. Objectives and activities

4. The immediate objectives of the project are to: (a) identify the requirements of appropriate technologies in the marginal rural sector and possible solutions; (b) obtain a national co-operation system in appropriate technologies, capable of integrating and co-ordinating national, regional and international activities and resources; (c) develop and adapt appropriate technologies in several fields, leading towards improvement of living conditions of marginal rural groups; (d) develop and expand the utilization of appropriate technologies; and (e) promote active participation of marginal rural populations in the development, adaptation and promotion of appropriate technologies, ensuring that the solutions are adequate to the needs.

5. To accomplish these objectives, the project will mainly: (a) produce an inventory of technologies utilized in various marginal rural productive sectors; (b) analyze such technologies vis-a-vis identified needs; (c) establish a co-ordination mechanism at the national and international levels; (d) establish a service for development and promotion purposes; (e) establish and maintain five regional rural centres; (f) develop new processes to improve existing ones, with adequate supplies and equipment; (g) train potential users of appropriate technologies; (h) introduce promotion programmes and new productions systems; (i) introduce adequate strategies for rural population participation in the whole process of identification of needs, introduction of solutions, development and promotion of appropriate technologies.

III. Inputs

6. UNDP will provide, through the Executing Agency, for the services of a chief technical adviser, an expert in community development and appropriate technologies, and consultants. Furthermore, UNDP will finance subcontracts to carry out specialized research and studies; and equipment and group training (study tours) for about six Ecuadorean nationals.

7. The Government will provide national counterpart staff including the National Director, administrative staff, staff for the five centre workshops, office equipment and physical facilities; the raw materials required; operation and maintenance costs for equipment; and expenses incurred for clearing imported equipment through customs.

IV. Financial data

8. The expenditure components of the planned assistance area as follows:

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Personnel	378 700
Sub-contracts	56 200
Training	18 000
Equipment	85 000
Miscellaneous	12 100
	550 000

9. The estimated total value, expressed in US dollars, of inputs provided directly by the Government to the project is $406,100 of which $225,000 is in kind and $180,500 is in cash, for the first two years.

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